

**CHAPTER NO. 512**

**SENATE BILL NO. 3448**

**By Crutchfield, Kyle, Williams**

**Substituted for: House Bill No. 3546**

**By McMillan, Head**

AN ACT to amend Tennessee Code Annotated, Title 4; Title 54; Title 55; Title 57; Title 65; Title 67, relative to the operation and funding of state government.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 4, Chapter 3, Part 10, is amended by adding the following language as a new appropriately designated section:

(a) Notwithstanding any provision of the law to the contrary, subject to the specific provisions of an appropriation act, the Commissioner of Finance and Administration is authorized to deny carry forwards for, and to transfer funds from, the funds, reserve accounts or programs identified in subsection (c) to the state general fund for the purpose of meeting the requirements of funding the operations of state government for the fiscal year ending June 30, 2005. The authorization provided for in the preceding sentence shall not apply to allow the transfer of any fund balances which are mandated by federal law to be retained in such fund. This authority only shall apply to transfers and carry forwards necessary to fund the expenditures for the state for the fiscal year ending June 30, 2005.

(b) No funds shall be transferred unless specifically appropriated in an appropriations act and such funds shall only be expended in accordance with the provisions of such act.

(c) Transfers are authorized from the following funds, reserve accounts and programs:

Notwithstanding T.C.A. Sections 54-2-102 and 54-2-103 or any other provision of law to the contrary, Department of Transportation funds in the highway fund or other funds created or referenced in Titles 54; 55; 57; 65 and 67;

SECTION 2. Tennessee Code Annotated, Section 54-4-507(a), is amended by deleting the language "seventy percent (70%)" and substituting instead the language "eighty percent (80%)".

SECTION 3. Tennessee Code Annotated, Section 54-4-507(b), is amended by deleting the language "30 percent (30%)" and substituting instead the language "twenty percent (20%)".


SECTION 4. Tennessee Code Annotated, Section 54-4-507, is amended by adding the following as subsection (c):

(c) The percentage in subsections (a) and (b) shall also apply to any unexpended balance from appropriations prior to 2004 that are not subject to a written agreement between the local government and the department. In the event there exists a written agreement between department and the local government, then the percentage contained in said agreement shall continue to apply.

SECTION 5. This act shall take effect upon becoming a law, the public welfare requiring it.

**PASSED: April 5, 2004**

  
JOHN S. WILDER  
SPEAKER OF THE SENATE

  
JIMMY NAIFEH, SPEAKER  
HOUSE OF REPRESENTATIVES

**APPROVED this 12<sup>th</sup> day of April 2004**

  
PHIL BREDESEN, GOVERNOR